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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 14, 2002

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. PUE010297

Ex parte: In the matter of  
establishing rules and regulations  
pursuant to the Virginia Electric  
Utility Restructuring Act for  
consolidated billing services

ORDER GRANTING MOTION FOR EXTENSION

On February 7, 2002, the Staff of the State Corporation Commission ("Staff"), by counsel, filed with the State Corporation Commission ("Commission") a Staff Motion for Extension to File Proposed Rules and Report ("Motion"). The Motion requests that the Commission extend the time for the Staff to file proposed rules for consolidated billing services, and the Staff report in support of such proposed rules, from February 14, 2002, and February 28, 2002, respectively, to May 24, 2002, (for both the proposed rules and Staff report). The Motion also requests a corresponding extension in the time for interested parties to file comments and requests for hearing on the proposed rules and Staff report from March 22, 2002, to June 27, 2002.

Section 56-581.1 of the Virginia Electric Utility Restructuring Act (the "Act") requires the Commission to promulgate rules and regulations for competitive billing services, including consolidated billing.

In support of the Motion, the Staff described in some detail the efforts of the work group formed to assist the Staff in developing proposed rules. The Motion explained that at an October 2, 2001, work group meeting, several participants volunteered to participate in a subgroup to identify competitive service provider ("CSP") consolidated billing issues and develop a "strawman" rules document. The subgroup developed an extensive issues list, but was unable to develop a strawman. The Staff advised that the full work group met eight days during December, January, and February to discuss and evaluate the issues identified by the subgroup, and has two additional meetings scheduled for late February.

The Motion states that during the course of the work group meetings, the Staff developed a fuller appreciation of the complexity of issues associated with CSP consolidated billing. The Staff explains that when the CSP performs consolidated billing, one party, the CSP, controls the issuance of the bill and the processing of customer payments while another party, the LDC, controls service disconnection activities for non-payment of its regulated charges. This separation of responsibilities

may result in increased opportunities for confusion that, in turn, could be potentially detrimental to the advancement of competition in the Commonwealth.

The Staff contends that due to the complexity of issues associated with CSP consolidated billing, and based on its opinion that additional analysis and input from the work group are necessary to develop proposed rules that will reasonably ensure billing accuracy and timeliness, as well as minimize the potential for confusion and unwarranted credit action against consumers, the Staff requires additional time to develop proposed rules for CSP consolidated billing.

The Staff believes it is essential that the work group identify and perform a more comprehensive and detailed review than originally anticipated of possible billing scenarios with respect to assumptions regarding customer switching, payment remittance, arrearages, payment arrangements, pending disconnection, budget billing, multi-period billing adjustments, bill cancellation and rebilling (catastrophic and minor data processing, billing and metering errors), and other key variables. According to the Staff, this detailed level of review may require significant interaction with and assistance from the Virginia Electronic Data Transfer Working Group that oversees the development of standardized business practices and electronic data communication protocols.

The Staff notes in its Motion that several incumbent electric utilities have advised the work group that approximately nine months will be required for the development and testing of electronic data exchange protocols and LDC billing system modifications subsequent to the Commission's adoption of final rules. The Motion advises that the Commission should reasonably anticipate that parties to this proceeding will request a delay, as provided for in § 56-581.1. C, beyond the January 1, 2003, target date for CSP consolidated billing.

In further support of the Motion, the Staff states that, at present, only one supplier in Virginia, The New Power Company, has expressed significant interest in CSP consolidated billing; and that The New Power Company has informed Staff that it does not object to this requested extension. The Staff further states that, on February 5, 2002, it informed all persons having filed a statement of interest in this proceeding of the Motion, and was advised by the following interested parties that they do not object to the requested extension: AES New Energy; Allegheny Energy Supply Company; Appalachian Power Company d/b/a American Electric Power - Virginia; Delmarva Power & Light Company; Itron; Virginia Electric and Power Company; Division of Consumer Counsel, Office of Attorney General; The Potomac Edison Company d/b/a Allegheny Power; and the Virginia, Maryland &

Delaware Association of Electric Cooperatives. No interested party has opposed the Motion.

NOW THE COMMISSION, having considered the Motion, the absence of opposition from interested parties, and the applicable law, is of the opinion that the request is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The February 7, 2002, Staff Motion for Extension to File Proposed Rules and Report is granted.

(2) The time for the Staff to file proposed rules for consolidated billing services is extended from February 14, 2002, to May 24, 2002.

(3) The time for the Staff to file a report on its proposed rules for consolidated billing services is extended from February 28, 2002, to May 24, 2002.

(4) The time for interested parties to file comments and requests for hearing on the proposed rules and Staff report is extended from March 22, 2002, to June 27, 2002.

(5) The Staff and interested parties shall, except as otherwise provided above, make their filings in accordance with ordering paragraphs (7) and (8) of the Commission's May 15, 2001, Order Establishing Proceedings in this case.